

STATEMENT OF PURPOSE

RS23205

The purpose of this legislation is to amend state revolving fund provisions to allow for drinking water loans with up to thirty (30) year repayment terms for all types of drinking water facilities. The Department of Environmental Quality (DEQ) allocates low interest loans from state drinking water revolving loan funds to help repair or build new drinking water systems throughout the state. Historically, thirty (30) year loans were restricted to disadvantaged communities but a recent federal policy change relaxed this restriction allowing states to offer up to thirty (30) year loan terms for drinking water state revolving fund loans. This option benefits water users through reduced water rates as systems are afforded more time to repay loans. This legislation amends Idaho Code §39-7602 to allow DEQ the flexibility to offer drinking water loans with repayment terms up to thirty (30) years.

FISCAL NOTE

A thirty (30) year loan option will extend repayment of some loan funds to the state drinking water revolving fund, delaying reissuance of those funds to future projects.

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